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ABSTRACT

During its three-year pilot period, Title V of the Rural Development Act of 1972 demonstrated its potential as part of a broad national rural strategy and should be carefully expanded with special attention to funding, organization, and evaluation policies. Initial funding at $20 million yearly would provide each state with $100,000 (an amount sufficient to support a critical mass of activity) and an additional amount in proportion to its share of the nation's total non-metropolitan population. The 1862 land grant universities should administer Title V during an initial three-year funding period, with other institutions allowed to compete for the program in subsequent periods. Organizational policies should preserve the flexibility of states to design and administer programs suited to local needs; continue to emphasize a rural strategy process rather than the direct funding of facilities, services, or other tangible end products; and integrate research and extension activities, which were treated separately during Title V's pilot stage. Crucial to effective organization is the involvement of local rural people in the identification and attainment of goals. Scientifically credible evaluation is necessary for intelligent allocation of funds and for rational revision and improvement of rural development efforts. (JH)

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THE ESSENTIAL PROCESS

For a Successful Rural Strategy

A Policy Statement
Following a National Evaluation of Title V
of the Rural Development Act of 1972

by

John M. Cornman

and

J. Patrick Madden

December 7, 1977

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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John M. Cornman

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OTHER NRC PUBLICATIONS ON RURAL DEVELOPMENT

1. Rural Development and the Land Grant University -- An Evaluation of Title V of The Rural Development Act of 1972. by J. Patrick Madden, et al. 1977 (Price $10.00)

2. Directory of State Title V Rural Development Programs. by Marilyn N. McIntyre and J. Patrick Madden. Forthcoming Janaury 1978. (Price $10.00)

3. A Directory of Rural Organizations 1977. (Price $1.00, first copy - Free)

THE ESSENTIAL PROCESS FOR A SUCCESSFUL NATIONAL RURAL STRATEGY

By John M. Cornman and J. Patrick Madden 1/

1. Foreword

In 1972 Congress passed the Rural Development Act. Title V of that Act authorized a three year pilot effort to test, in essence, the potential of the nation's land grant universities to help rural communities improve decision-making and problem-solving capabilities. In October, 1977 the National Rural Center published its evaluation of the pilot phase of Title V activity, entitled Rural Development and the Land Grant University. 2/ A copy of the Executive Summary of that report is attached. In writing this paper we assume the reader already has read or will read the Executive Summary or the full report. The description of Title V and other basic information are not repeated here. The purpose of this paper is to go beyond that evaluation report and, using the lessons learned from it, to look at the potential of Title V as part of a broad national rural strategy.

This paper is organized into six sections, including the foreword. Section 2 lists definitions of terms used in this paper and outlines the assumptions and initial positions or value judgements which influenced our recommendations. Section 3 contains a discussion of the kind of process we consider essential to rural development. In Section 4, Title V is discussed as one way to provide the essential process. In this context, the findings of the evaluation report are very briefly summarized.

1/ The authors are, respectively, President of the National Rural Center and Professor of Agricultural Economics at the Pennsylvania State University. Helpful suggestions were offered by several reviewers, including Dr. Ray Vlasin, (Michigan State University), Dr. Daryl Hobbs (Univ. of Missouri), Ms. Mary Hazen Osgood, Dr. Ken Wilkinson, (Pennsylvania State University), Dr. Lee Day (director of the Northeast Rural Development Center, and Dr. Edward Moe (U.S. Department of Agriculture). The views expressed here are those of the authors and not necessarily those of the institutions with which they are affiliated, or of the reviewers.

2/ Copies of the full report are available from the National Rural Center.

Section 5 contains our policy prescriptions for attaining a more successful process, as defined here. The discussion centers on issues of funding, program organization, and evaluation. Our recommendations are listed in Section 6.

2. Definitions and Assumptions

In this section, we list a series of definitions and assumptions used in preparing this paper.

2.1. Definitions

The reader must accept the definitions presented in this section if this paper is to be understood.

Over the years many of the terms used in this paper have collected a good deal of "baggage" and have taken on specific but different meanings for people with different viewpoints and experiences. For example, the phrase "rural development" can be interpreted narrowly to mean industrial economic growth or broadly to cover all things related to the quality of life. Similarly, planning can be interpreted as dealing primarily with land use or economic growth or as a more comprehensive term relating to a broad spectrum of problems.

Therefore, while a reader may prefer different definitions for these terms, we ask that the definitions which follow be accepted for purposes of understanding this paper.

(1) A national rural strategy consists of goals, action programs, and process, as follows:

- *The general goal of a rural strategy is to increase the options for all people seeking a decent life in a rural community. Specific goals are statements defining the improvements in quality of life sought by a rural strategy. Local and state goals are formulated by rural people, communities and states.*

- *Action programs are those public and private programs which provide money to achieve tangible end-products (highways, services, facilities, increased employment, etc.)*

- *Process is the way action programs are brought to bear in achieving rural development goals. Many kinds of process are used in rural development -- some kinds are more successful than others. Ideally, the process should possess four attributes: it should be constructive, comprehensive, inclusive, and rational. These attributes are discussed in more detail in Section 3. "Essential process" is the phrase we use to refer to process possessing all four of these attributes. While a process with these characteristics is essential to a successful national rural strategy, it is important to understand that there are many different models through which such a process can be provided.*

(2) Rural development encompasses the many dimensions or conditions which determine the quality of life: access to public services and facilities; economic development; protection or enhancement of natural and environmental resources; and the capacity of rural people, communities, and institutions to interact effectively in identifying and attaining goals. Each of these dimensions can be viewed in terms of its present level or state (eg. availability of health services, median income or employment) and in terms of its trends (eg. improvement, stagnation, or deterioration of the local economy, services, or environment). Development then, is a normative term implying the attainment of levels and trends desired by people themselves.

Economic development means "improving" the level, distribution, and stability of earnings and employment. This can be done in a number of ways, such as increasing the productivity and/or efficiency of existing firms and resources. It can also be done by expansion -- enlargement of existing firms or entry of new industries. Expansion is not feasibile in all rural areas, nor is it everywhere desired or appropriate. In areas experiencing very rapid growth, for example, local residents might feel that an "improved" trend is a reduction in the rate of economic expansion. Therefore economic development is a goal of a comprehensive rural strategy, but only one of many goals and a goal which must be shaped to local desires.

(3) The land grant university system includes institutions established in each state by organic legislation passed in 1862 (The Morrell Act), plus a series of traditionally Black institutions established in 1890 in each of the 16 southern states. (Tuskegee Institute, in Alabama, is generally treated as one of the 1890 institutions for funding and program purposes. Therefore Alabama has 3 land grant institutions.)

(4) The 1862 land grant institutions have been considered the lead institutions for Title V of the Rural Development Act of 1972, in that these institutions have been the recipients of Title V monies in each state and are charged with administering the program within the state.

(5) Each land grant institution receives research funds from the Cooperative State Research Service, (USDA). Research, in this context, includes the development of scientific and technical knowledge, new technology and facts useful to private and public decisions makers who plan and carry out rural development action programs.

(6) The 1862 institutions have Extension Services which can provide a wide range of educational services. Extension, in this context, is intended to provide a link between the sources of information (from research and other sources) and the local citizens, leaders, groups, businesses, and agencies attempting to identify local goals and to organize the resources needed to attain these goals.

In this paper, "research" and "extension" are used as generic terms to describe activities defined above. When capitalized, the terms refer to services of the land grant universities. For example, Title V funds for extension were channeled through the Extension Service associated with each state's 1862 land grant institution. Similarly, the Title V research monies were directed to the university administrator of the Agricultural Experiment Station at the lead institution in each state.

2.2. Assumptions

This paper is based on the following assumptions and positions or value judgements, some of which are discussed in more detail later in the paper.

1. A national strategy designed to enhance the well being of rural people and their communities is in the national interest because:

   - *Government policies ought to increase the options people have for a decent life in the kind of community where they choose to live.*
   - *The quality of life continues to deteriorate in many rural communities where population and economic base are declining. The quality of life is also deteriorating in many rural communities now experiencing population growth (including urban-to-rural migration) due to unprecendented demands for schools, water, sewerage treatment, housing, and other services and facilities.*
   - *The success of any urban development strategy will depend on avoiding a resumption of the vast rural-to-urban migration which left many rural areas depleted and urban places more crowded.*

2. At present, this nation does not have an effective rural strategy to achieve rural development, as broadly defined. The central assumption of this paper is that the absence of an "essential process" (as defined previously) is a major barrier to an effective rural strategy.

3. Rural people need accurate and credible information to make an essential process work. Institutions of higher learning are potential sources of such information.

4. The nation's land grant universities may be, but are not guaranteed to be particularly well suited to perform these tasks. This assumption applies to the traditionally Black land grant institutions of 1890 as well as to the 1862 institutions.

5. Title V of the Rural Development Act of 1972 is an attempt to encourage a version of the essential process. In this model, the principal land grant university in each state is the lead institution. The evaluation of Title V found that the concept can be a viable approach to achieving the essential process.

6. In discussing the usefulness of Title V as a vehicle for providing the essential process, it is important to remember that only small amounts of funds were provided for the first three years of its existence. Therefore, the experience to date should be considered a pilot rather than a full fledged demonstration effort.

Over the years, this nation has not lacked for articulated goals or action programs designed to meet the needs of rural people, or more correctly, some rural people.

Looking to the past, we can point to rural development efforts encompassed in landmark acts providing for homesteads, reclamation of farm land, and development of irrigation and electrification; for the building of railroads, highways and waterways to open up the hinterlands to commerce; for the creation of the land grant college system and nation-wide systems of extension and agricultural experiment stations; and for programs to protect farmers from sharp declines in price.

Despite these and other public programs, however, many rural areas have lagged and continue to lag far behind the rest of the nation in important ways. The employment and income-generating base of countless rural communities have been eroded through depletion of coal deposits, soil, forests, and other natural resources. Along with degradation of natural resources came a tendency for farms to expand in size and, in time, for labor to be replaced by capital. Those favoring this trend emphasize that increased production and lower production costs in agriculture fueled the development of the nation by providing foreign exchange (via international trade), low cost foods, and an expanded non-farm labor force -- thus keeping down the cost of labor and facilitating competition with foreign markets. However, it has become clear that many of the social costs of this trend -- many of which also have direct dollar costs -- have been ignored. As the population base supporting rural businesses, schools, churches and other services declined in thousands of rural communities, the quality of services and of income opportunities in those areas failed to keep up with services and opportunities available in metropolitan areas.

Only in recent years have we seen evidence of increased concern about social costs due to overcrowding and other deteriorating conditions in urban areas, caused in part by migration motivated by the lack of decent opportunities to live and work in rural areas. Evidence of this concern was expressed in the policy statement contained in Title VII of the 1970 Housing and Urban Development Act. The Act states, in part:

> ... The Congress finds that the rapid growth of urban population and uneven expansion of urban development in the United States, together with a decline in farm population, slower growth in rural areas, and migration to the cities, has created an imbalance between the Nation's needs and resources and seriously threatens our physical environment, and that the economic and social development of the Nation, the proper conservation of our natural resources, and the achievement of satisfactory living standards depend upon the sound, orderly, and more balanced development of all areas of the Nation... (Emphasis added)

More recently, some observers claim a historic reversal in the rural-to-urban migration rate indicates that the problems of rural development have been solved. Some also claim that a national rural strategy was put in place with the passage of the Rural Development Act of 1972.

However, a closer look at migration statistics and at the operation of the action programs lumped together in the Rural Development Act show that the "benefits" of the rural growth and of the action programs are spread unevenly among rural people, sometimes creating more problems than solutions. In other words, as has happened so often in our nation's past, many rural people continue to be poorly served because development programs are poorly designed, or because appropriate mechanisms to deal with growth are not available, or because the interests of large groups of rural people are ignored.

Certainly, unsympathetic administration and inadequate funding have hampered the effectiveness of many of these programs. And it is also true

that these programs are lodged in many different governmental departments, and that this dispersion has made coordination difficult. Equally importantly, however, is the fact that the federal government has never articulated the design of nor invested funds to create a process needed for a successful rural strategy. As a result, federal efforts to enhance the quality of life in rural areas have been fragmented, concentrating on isolated problems, using narrowly focused action programs, and omitting many groups of rural people (Indians, small farm families, etc.) from the process of identifying local goals and devising solutions to attain them. In short, while we have set some national goals for rural development, and while we have put in place action programs for rural development, those of us who take a comprehensive view of rural problems and opportunities feel the desired results have yet to be achieved.

In this age of skepticism about the ability of government to do anything well, we hesitate to suggest any broad remedy to achieve those desired results. However, based on experiences and opinions of a wide range of people, we have concluded that the failure to achieve such results may be in large part due to the absence of an <u>essential process</u>.

Because that conclusion is critical to the recommendations made later in this paper, it is important to describe in detail what we mean by an essential process.

3. The Essential Process

We believe a successful national strategy, whether it is concerned with urban or rural problems, the energy crisis or transportation needs, should consist of clearly articulated goals, action programs and an essential process. Understanding the importance of process to rural development begins with the recognition of the diversity which exists among rural communities -- diversity of people, diversity of geography, diversity of economic base, diversity of problems and diversity of goals. As we have come to learn, diversity often results in legitimate, but conflicting claims on the resources in question; it seldom results in easy "right" answers. We should have learned by now that in such instances the more prudent answers are those reached after informed consideration of as many of those conflicting claims and their trade-offs as possible. These trade-offs cannot be dealt with adequately in the articulation of broad national goals or in the writing of national action programs. That shortcoming, however, does not mean that national goals and national programs should be avoided. Rather, it emphasizes the need for a process which allows those conflicts and trade-offs to be accurately identified and prudently weighed in determining how a particular national goal or national program relates to a particular community or problem.

To better understand the kind of process needed, it is necessary to list the kinds of goals a national rural strategy should have. Specific goals for a rural strategy might include:

- *Economic development - rate, location and kind - as desired by local people and consistent with any overriding state and national concerns. The goal would be development which avoids the agonies of too rapid growth, economic stagnation, strip development and/or further widening distribution of income.*

- *Provision of adequate services and facilities, such as health care, clean water, waste disposal, education, housing, legal assistance, law enforcement, fire protection, recreation and access to financial assistance.*

- *Protection and improvement of natural resources and other environmental concerns.*

- *Encouragement of local-resource businesses, including small and family farms, and, to the extent feasible, the use of smaller and non-polluting technology.*

- *Enhancement of the capacity of rural people, communities, and institutions to interact effectively in identifying and attaining rural development goals.*

Even that brief recital of goals makes clear the potential for having to deal with conflicting claims and hard choices, and why it is necessary to have an essential process through which all rural people can participate in establishing local priorities, studying trade-offs and selecting solutions. An essential process, then, should be constructive, comprehensive, inclusive and rational. By that, we mean a process should be:

- *Constructive in building the capacity of rural citizens, leaders, and local government to identify their own problems and opportunities, and to organize effectively the various resources and actions needed for the attainment of their goals. It should also be constructive in building the capacity of various local, state, and federal agencies and various institutions and private organizations to support the effort of rural people to achieve their goals. The process should be constructively additive in that development efforts over time should be mutually supportive and complementary.*

- *Comprehensive in the scope of social, economic, physical, and environmental problems and opportunities addressed. Fragmented process keys to rather narrowly defined problems in isolation from one another.*

- *Inclusive in that it is open ended, available to the full range of people affected by the public and private resources and initiatives. Conversely exclusive process serves only selected segments of the population, and/or utilizes only very specialized agencies and resources, to the exclusion of others who could contribute or who would be affected.*

- *Rational in that it should be integrated, responsive, and cumulative. It should be integrated in that it provides a responsive relationship among the people and agencies involved, and it recognizes the interactions and interdependencies among the various parts -- the various problems,*

opportunities and resources of agencies and communities. Isolated process ignores the relationships existing among the various parts, and deals with each part in isolation from all the others. It should be responsive in that it provides timely, useful, and credible information which can help rural people make more informed decisions in selecting their local goals, in setting their own priorities, and in devising ways to achieve these goals. It should also be cumulative in design by including a systematic and scientifically credible evaluation system, so that the experiences of the past and the present may be used to build more predictably effective strategies in the future.

To live up to those characteristics, the process should meet the following operational guidelines. It should:

- *Begin with the meaningful involvement of local people and their representatives in decisions establishing community priorities, policies to be pursued and specific projects to be implemented.*
- *Help rural people obtain needed information in a timely manner, and then provide organizational structures to facilitate the making of rational choices and trade-offs among competing goals.*
- *Encourage development of linkages between rural communities and the various public and private agencies to make the best use of government programs and other funding opportunities.*
- *Remain professionally objective and non-biased, in that it should not become the handmaid of any local vested interest or faction or any ethnic majority or minority. It should be available to all rural citizens, but with emphasis on serving those communities deprived of essential services and facilities, areas of high unemployment, places threatened with severe environmental degradation, etc.*

The complexity of these characteristics and operational guidelines may explain why the federal government has been reluctant to invest in what we have called the essential process. However, as difficult as the challenge to create such a process may be, the nation has paid a high price for the lack of such a process -- a high price in lost confidence, wasted people and scarred lands, crowded urban centers and depleted rural communities, and inefficiently designed federal programs.

As Secretary of Labor Ray Marshall has said, "Too often we fail to add up all the costs of our federal policies."

An elaboration of that statement might read:

"The best way to ensure that all such costs are considered is to have in place an essential process, i.e., one that is constructive, comprehensive, inclusive, and rational."

The addition of Title V to the Rural Development Act of 1972 raised the hopes of some people that we had reached a stage in our development as a nation when we could make creation of such a process a high priority concern.

4. Title V as a Process

The Rural Development Act of 1972 is primarily the collection of many diverse programs which provide loans and grants for projects to increase the employment and income potential of rural areas, or to provide various essential social services considered lacking in many areas, such as fire protection, water, waste disposal, and health facilities.

The vast majority of the funds appropriated under the Act have been for previously existing loan and grant programs conducted by the Farmers Home Administration (recently renamed the Farm and Rural Development Administration).

Title V calls on the nation's land grant universities to help rural people attain their development goals by establishing information and technical assistance linkages among research, extension, government agencies, and rural people. The Title V program within each state (and Puerto Rico) is expected to:

- *Provide information and assist in the interpretation and application of information needed by various public and private agencies and decision makers involved with achieving various development objectives or end products - particularly those related to improving public services, employment opportunities and incomes.*
- *Provide research and investigations useful to those planning, carrying out, managing, or investing in facilities, services, business, or other enterprises (both public and private) that may contribute to rural development.*
- *Enhance the capabilities of various colleges and universities in each state to perform vital public service roles of research and practical application of knowledge in support of rural development.*

Thus, the emphasis in Title V is to provide a process by which the research and extension capabilities of colleges and universities are brought to bear on rural development problems. Title V does not provide grants, loans, or loan guarantees to expand or improve rural facilities and services

or to stimulate private investment. Rather, it seeks to help rural people and communities achieve greater capacity to make informed decisions regarding their problems and avenues that might be taken toward solution. This process can include such activities as (1) analyzing community preferences; (2) assessing technical and economic feasibility of specific projects; and (3) helping rural communities pull together financial assistance from diverse sources.

Title V was innovative in a number of ways:

- *It was national legislation designed to create a university-based process through which local people could have available a wide range of resources to help them make decisions about problems and opportunities of their own choosing.*
- *Title V was designed to encourage land grant universities and other institutions of higher learning to provide technical, economic, analytical, organizational and grantsmanship assistance needed by rural communities.*
- *It sought to alter a historical pattern of more than 100 years duration by increasing the emphasis of land grant research and extension toward rural development.*
- *While funding was funneled through Extension and Research at the land grant universities, the law made clear the resources of departments and colleges outside the land grant colleges of agriculture, home economics and engineering, as well as other colleges and universities, were to be used on behalf of rural development.*
- *The law implicitly made it the responsibility of Research and Extension at the land grant institutions to work together on specific rural development problems.*

In short, the legislation sought to encourage rural development by creating a process which would be virtually unlimited by subject or program boundaries and which could provide an equally unlimited scope of technical assistance from institutions of higher learning. We are unaware of any other effort to create such a process for a rural strategy.

The original authorizing legislation provided a three year pilot period to test the Title V concept. Funds were first provided in fiscal year 1974. The

question to be answered during that pilot period was whether the Title V concept could lead to creation of an effective rural strategy process spearheaded by land grant universities, but also involving non-land grant institutions of higher learning.

Unfortunately, Title V was funded at only 20 percent of the authorized three-year total of $45 million, with the result that many states could justify the contention that the low level of funding made it impossible to carry out Title V activities effectively. For example, 23 states received less than $20,000 a year for research, and a similar amount for extension activities under Title V ($40,000 total). Also unfortunately, the national evaluation of Title V efforts was not begun until after the third year of the program.

With these caveats in mind, Title V was evaluated at the end of the first three-year period in an attempt to see if the intent of Congress had been met. The results of that evaluation, conducted by the National Rural Center (NRC) in conjunction with the Pennsylvania State University, are reported in an NRC publication entitled Rural Development and the Land Grant University. Briefly, the major findings of that study are:

- *While not everywhere successful, the experience with Title V indicates it can be a viable process for accelerating and directing rural development efforts along lines preferred by rural residents.*
- *It is a flexible process that has both accommodated and encouraged a broad range of creative approaches, many of which are transferable.*
- *The information collected from the 50 states and Puerto Rico shows that Title V has been effective in enhancing the capacity of some rural communities to solve their own problems. This has been accomplished through provision of timely information, leadership training, and formation of new or improved linkages among rural communities, the land grant university, other institutions of higher learning, and many public agencies and private groups.*
- *The Title V process has helped many rural communities attain tangible improvements in employment and income, in public services and facilities, and in the protection or enhancement of natural and environmental resources. For example, many projects have reported helping*

new or expanded firms create jobs for as many as a dozen persons -- a few created more than 200 jobs. Services and/or facilities concerned with health, housing, water, and sewage have been provided by projects in which Title V provided essential information and expertise. Natural and environmental resources have been protected and improved through projects such as the creation of a park or a recreation area.

- *Experience gained during the pilot stage clearly demonstrates the need to involve citizens in the rural development process; to develop specific, realistic objectives; and to maintain momentum and widespread local support as the program continues.*

- *To achieve maximum effectiveness, research and extension should be functionally integrated throughout the essential process. Title V seems to have sensitized many university personnel to the importance of linking research and extension more effectively in attempting to solve rural problems.*

- *One of the strengths of Title V seems to be the flexibility permitted to the states in designing and implementing their respective research and extension programs under Title V. As discussed in the evaluation report, some structures seem inherently less effective than others, but the data do not support the contention that there is a single "best" structure for operational leadership that would lead inevitably to program success under all circumstances. Likewise, it is not possible to determine the "best" rural development approach, the "best" method for target area selection, or the "best" kind of target area for all states and all circumstances. Rather, one advantage to the Title V structure is the flexibility given to states to decide these matters according to what best fits their particular university or local structure.*

Based on those findings and lessons, we recommend that the Title V concept be expanded, but expanded carefully, to further test its potential as an effective process for a successful rural strategy. Realizing that we have a responsibility to do more than suggest "careful expansion", we next will outline an approach to carry out that recommendation.

5. Toward An Essential Process

Our recommendations for expanding the Title V concept into a more successful rural strategy process fall into three interdependent categories: funding, organization, and evaluation.

The categories are interdependent because the recommended funding levels should not be implemented unless the organizational and evaluation concepts are also implemented; and, likewise, no effort should be made to establish new or expanded organizational or evaluative systems unless adequate funding is available.

Obviously, our individual recommendations stem from our general conclusion that the Title V effort should be expanded carefully.

5.1 Funding

Our funding recommendations are:

1. *The annual appropriation for Title V should be increased to $20 million dollars starting fiscal year 1979.*

2. *States should be eligible for two kinds of Title V funding -- "basic" allocation and "merit" increases.*

3. *The "basic" allocations should be a minimum of $100,000 for each state and Puerto Rico (adjusted annually for inflation), plus additional funds in proportion to the state's share of the nation's non-metropolitan population.*

4. *If Title V funding cannot be increased immediately to insure a minimum basic allocation of $100,000 for each state, no state should receive more than $100,000 until each receives that amount. (The few states now receiving more than $100,000 should be held harmless under this requirement).*

5. *To qualify for its basic allocation, a state must have a plan of work approved by the Secretary of Agriculture, acting on advice from the Joint Council established under Title XIV of the Food and Agriculture Act of 1977. Rigorous standards should be used in evaluating a state plan of work for this purpose.*

6. *Half of the funds to be distributed to the states in excess of the amount needed to insure $100,000 per state should be reserved for "merit" increases to be earned by a favorable performance as indicated by a scientifically credible evaluation. The size of a state's merit funding should be proportional to its share of the nation's non-metropolitan population.*

7. *If a state does not qualify for its basic allocation, the money should be placed in escrow for a limited time (3 years) as a cumulative incentive, and awarded to the state if it submits a satisfactory plan of work. If a state does not qualify during the escrow period, the state should lose the escrowed funds, which should be added to the total available to other states for merit increases.*

8. *Each state's performance should be evaluated on how well its efforts meet the criteria for an essential process and not in competition with other states. If a state does not qualify for a merit increase, those funds should be placed in escrow for a limited time (3 years) as a cumulative incentive and awarded to the state if a subsequent evaluation is favorable. If a state does not qualify for a merit increase during the escrow period, it should lose its claim to those funds, which, in turn, should be added to the total of Title V funds available for merit increases.*

9. *Funding levels, including the size of merit increases, should be determined for three to five year periods. This is necessary to permit states to plan their Title V efforts prudently and to permit them to make the long-term commitments necessary to retain personnel to carry out their plans.*

10. *A continuing evaluation of each state's Title V activities should document the amount of in-kind contributions attracted at each level of Title V funding. This is needed to determine an optimum level of funding for Title V.*

11. *If the evaluation indicates that Title V is successful in providing the essential process, funding should be increased above $20 million dollars a year. Financial support for this kind of process then should be included in budgets of federal agencies operating action programs in rural areas. For example, the amount of money to be made available for this essential process could be determined by a set percentage (such as 0.5 percent) of the amount of money available for action programs operating in rural areas. We understand that total currently runs about $14 billion dollars a year. The current Title V funding level is less than 0.04 percent of that total.*

12. *Restrictions prohibiting or discouraging the general use of Title V funds for small farm research and extension should be removed. Simultaneously, the lead institutions should have full flexibility in determining the appropriate mix of research and extension in their plans of work. The artificial diversion of funds imposed in the recent amendments (i.e., 19% research and 77% extension) should be abolished.*

13. *Initially, the 1862 land grant university should continue to be the lead institution in each state for receiving and administering Title V funds.*

14. *However, in the 16 states with more than one land grant university (those states which also have a traditionally black 1890 land grant institution), plans of work should be signed jointly by the president of each land grant institution in the state. Similarly, the required memorandum of agreement between the Department of Agriculture and land grant institutions should be co-signed by the president of each land grant institution in a state.*

15. *If the two land grant institutions in a state cannot agree on a plan of work, the state's basic allocation should be divided equally between the two institutions (in Alabama among the three institutions), and allocated on receipt of separate but acceptable plans of work. Merit increases should be divided similarly.*

16. *At the end of the first three-year cycle of expanded Title V effort, non-land grant institutions should be allowed to compete with the land grant institutions to become the lead Title V institution in the State, the decision to be made by the Secretary of Agriculture. In reaching this decision, the Secretary should call upon the Joint Council to provide advice based on evidence from evaluation studies and the merit of proposals from alternative (non-land grant) institutions. Such competition should recur every three years.*

17. *However, any recipient institution responsible for Title V funds, including a land grant university during the first three year cycle, can lose those funds if the Secretary of Agriculture, acting on advice from the Joint Council, feels the evaluation of the state's Title V program indicates the effort shows little or no potential for providing the essential process.*

These recommendations are made for the following reasons.

The current allocation formula for determining each state's share of the national Title V appropriation is:

> *One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all States as determined by the last preceding decennial census current at the time each such additional sum is first appropriated; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States as determined by the last preceding decennial census current at the time such additional sum is first appropriated. (Emphasis added)*

Apparently in its desire to focus particular attention on efforts to help small farms, the Congress not only promulgated a funding allocation formula that counted the farm population twice (once as rural and again as farm population), it also included in the act a specific section (502(c)) specifically calling for research and extension efforts in behalf of small farms. This strategy backfired because no funds have been appropriated for the small farms section of the act. Persons administering the program took this to mean that the work done under the other sections of the act should not emphasize small farms. If small farms had not been singled out in the enabling legislation, it seems safe to assume that Title V administrators would not have felt obliged to discourage small farm research and extension activities. 1/ A recent amendment to the act has provided a separate authorization for small farms research and extension. 2/ History tells us, however, that the fact funds are authorized does not guarantee funds will be appropriated by the Congress, or allocated by the Office of Management and Budget. Funds for Title V should be adequate to finance research and extension assistance to help increase the income and efficiency of all types of small business in rural areas, including small farms.

While we abhor discrimination against small farms, we feel the alternative should not be to discriminate against other types of business. Therefore, we are of the opinion that the funding formula should be changed to eliminate the double counting of the farm population.

1/ Nonetheless, four states (Arkansas, California, Idaho, and Virginia) did in fact include small farms research and extension activities in their Title V programs. (See Directory of State Title V Rural Development Programs, pages 29, 36, 82, and 380.) But other states were discouraged from doing so.

2/ Subtitle F of the National Agriculture Research, Extension, and Teaching Policy Act of 1977, which is Title XIV of the Food and Agriculture Act of 1977.

We propose that the allocation formula be keyed to the non-metropolitan population, rather than the farm and/or rural population. The term "rural", referring to open country and places of less than 2,500 population, excludes too many places and people outside metropolitan areas whose character is essentially "rural", places that lie outside the domain of attention typically paid to large cities in urban planning and programs.

The current allocation formula does not establish a minimum level of funding a state can receive. Consequently, at the initial funding level ($3 million a year for the first four years) eight states received less than $20,000 a year for research and extension combined; 17 states got less than $30,000, and only two states received more than $100,000 (see Figure 1). And because of inflation, the purchasing power of these state allocations has eroded each year. While a number of state Title V programs were successful in using the small amounts of money available from Title V to leverage large amounts of in-kind contributions (faculty time as well as other resources) during the three-year pilot period, it is clear that many universities would be unwilling to or could not afford to mount effective efforts at a low-level of Title V funding. To do so probably would require a university to narrowly limit its Title V activities or to rob other programs of needed resources. Either approach does violence to the concept of Title V as a comprehensive and inclusive process.

A low level of funding creates an additional problem. As noted in Section 4, a number of state program leaders complained that the limited resources available made it impossible for them to come up with an effective program. Despite what was accomplished in some states with small amounts of funds, this complaint can be justified well enough to excuse a state's inadequate program, and, in essence, make any effort to evaluate their activities valueless, particularly if the evaluation is to be used as a basis for funding increases.

Figure 1. Annual Allocations to States Under Title V of the Rural Development Act of 1972 for Research and Extension Combined (1974 - 77).

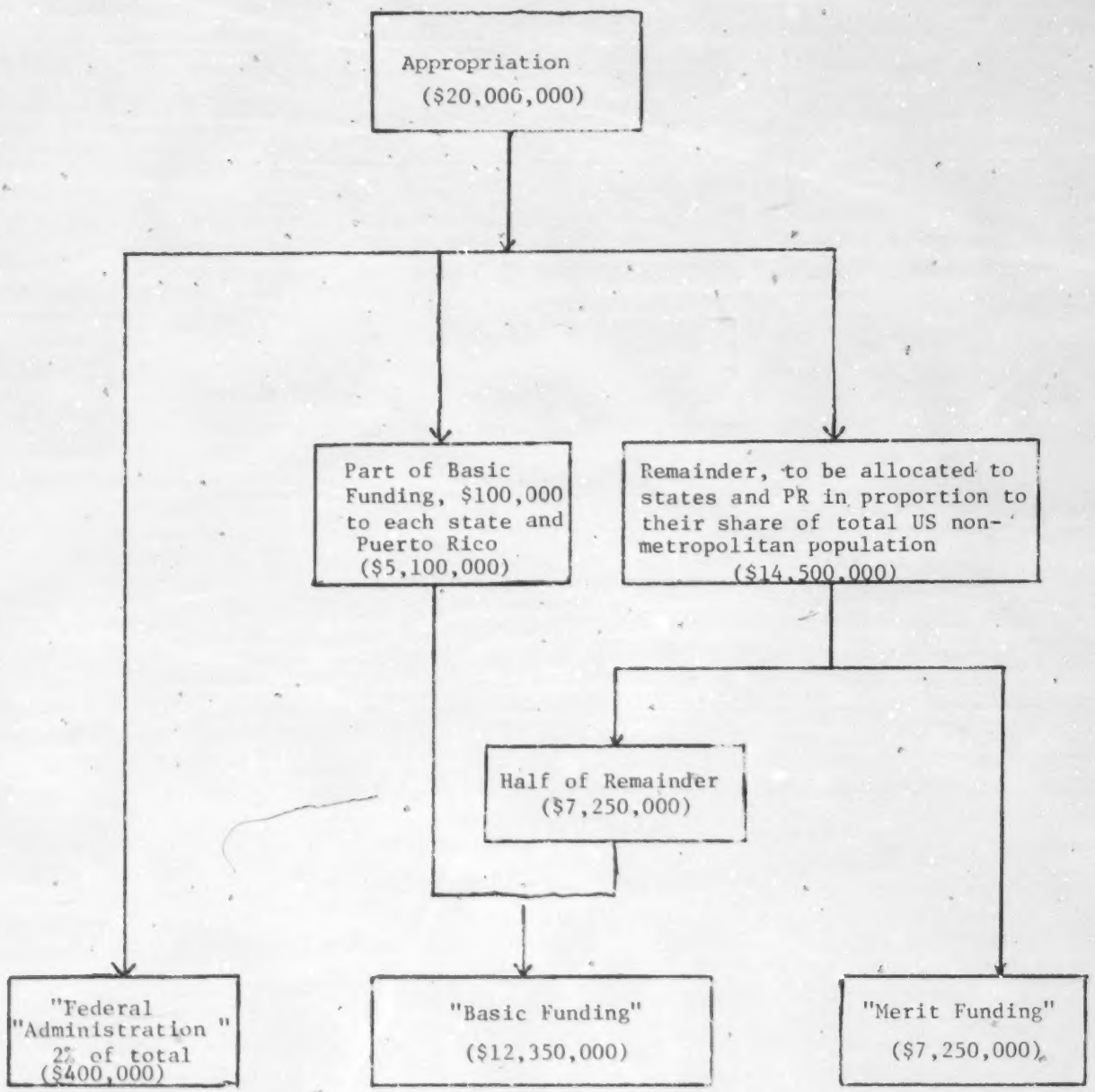
Because of the low level of funding, Title V has never been really given a full demonstration as intended in the Act. We advocate funding at $20 million dollars a year, the amount orginally authorized for Title V for fiscal years 1976 through 1979. In an amendment contained in the Food and Agriculture Act of 1977, an additional $20 million was authorized for small farms research and extension. However, rather than advocate an appropriation in the amount of $40 million dollars, we feel that Title V should be first tried at the respectable level of funding initially envisioned by the Congress -- $20 million dollars.

Our recommendation to provide an automatic basic level of funding is based on the belief that a critical mass of activity is necessary to permit a valid evaluation. In determining the basic allocation, we were persuaded the amount should be enough to provide salary and operating expenses for at least two full-time professional persons (an executive director and an assistant). We assume this can be done with approximately $150,000 a year, with annual increases proportional to the rate of inflation.

In addition to guaranteeing a minimum of $100,000 a state, the basic allocation for each state and Puerto Rico should include an allocation in proportion to its share of the nation's total non-metropolitan population. In the illustration shown in Figure 2, which assumes a $20 million dollar appropriation, the amount of basic funding to be allocated among the 50 states and Puerto Rico is $12,350,000 a year, as compared with the current appropriation of $7 million ($3 million for research and $4 million for extension).

Beyond the "basic" funding levels, states should be permitted to earn additional "merit" funding. They could earn these funds by demonstrating through favorable evidence from a scientifically credible evaluation that the

Figure 2. Proposed Funding Allocation Formula For Title V--An Illustration with $20,000,000 Appropriation



Title V effort has become an essential process, as we have defined this term. The merit increase, then, is both an incentive and a check on wasteful expansion.

However, if a state is to be able to make efficient use of Title V funds, it should know how much money it can expect over a period of years rather than having to develop its activities on a year-to-year basis. Multi-year basic funding and allocation of merit increases by formula makes that possible. For its part, each state should be required to develop a five year plan generally discussing how the process would be expanded in that state. The recommendation is dealt with in more detail in the next section.

We feel that the funding mechanism should strongly encourage the 1890 land grant institutions to become directly involved in the process. Under current law, each 1890 institution participates only at the willingness of the 1862 university in its state. Many people believe that Extension and Research at some 1862 institutions are not responsive to the needs of rural Blacks. We have not attempted to document the accuracy of that contention. However, we have heard enough anecdotes of such unresponsiveness to understand why many Southern Blacks believe that a process administered by an 1862 institution would not be responsive to their needs. More importantly, the 1890 institutions are a resource which ought to be an integral part of a Title V type process. Therefore, if possible, we would prefer that each 1890 institution receive a basic allocation of at least $100,000 of Title V funds. However, because such a provision might violate the constitutional provision for equal protection under the law (i.e., giving more funds to states with more than one land grant institution), we have opted for the recommendations outlined in this section.

A central role of evaluation should be to encourage the land grant institutions to develop a truly effective process, and, after three years, to

provide a sound basis for opening up the program to other institutions which might come up with more effective ways to utilize the money.

This approach doubtless will be criticized by those who believe that process should be opened immediately and automatically for direct participation by non-land grant universities as well as by those who view Title V as the private domain of the land grant universities.

We choose the "middle ground" for several reasons.

Potentially, land grant universities have certain natural advantages to be the lead institutions in providing information for the essential rural strategy process. To begin with, each land grant institution has a legal mandate to deal with the wide range of development problems affecting rural people.

Secondly, each state has an 1862 land grant institution, and 16 states also have a traditionally Black (1890) land grant institution.

Each state's land grant university includes a Cooperative Extension Service, with agents in virtually every rural county. And starting in fiscal year 1979, each of the 1890 institutions will have their own Extension Service. While the Extension infrastructure of the 1862 institutions orginally was designed primarily for the dissemination of information about specific agricultural technologies, the system, or at least some of it, apparently is becoming somewhat more attuned to the broader concerns of rural development. Even with the change, there remains considerable room for improvement before their potential is approached, and indeed, it is quite possible that in some states the land grant institutions may never perform the task adequately. Therefore, we think the prudent approach is to give those institutions with such natural advantages the opportunity to perform up to their potential (with adequate funding over a multi-year period), but to provide ample opportunities for other institutions to take the lead should the land grant university fail. It also should be remembered by those who favor the participation of other

universities in the process that one evaluation criterion will be the extent to which the land grant university involves other institutions.

It might be prudent at this point to suggest why institutions of higher learning would be interested in becoming part of the Title V process. We believe they should be interested for these reasons:

- *By helping to facilitate rural development, the institutions provide a useful social service. This service is a primary part of the legal mandate of land grant institutions.*
- *Public support for the university or college can be enhanced through local realization that these institutions are performing services considered useful or practical to solution of community problems and attainment of opportunities.*
- *Research efforts may be enriched in terms of relevance, as well as financial support, by addressing real-world problems.*
- *University classroom instruction and graduate student training can become more personally rewarding to both the students and the faculty through involvement in the essential process for a successful rural strategy.*

Thus, the involvement of universities (including land grants and others) in providing technical assistance for a rural strategy process can be highly beneficial to rural communities, to the faculty and students, and to the institutions of higher learning. And through this essential process, the nation is well served by making various federal, state, and local action programs more readily available and more effective in solving the problems of rural people.

5.2 Organization

Our organizational recommendations are:

1. *The flexibility each state has had in designing approaches for providing a more effective process should be maintained.*
2. *If funding levels remain so low that some states continue to receive less than $100,000 a year, many of the reporting and advisory council requirements should be made optional for those states.*

3. *Once a state reaches a $100,000 funding level, it should be required to establish a state-wide board of directors to set policies, priorities and guidelines and to review evaluations of Title V activities.*

4. *The president of a Title V lead university or college should appoint a coordinator, who has the rank of at least dean or vice president, to see that the program is legitimized and supported in each of the administrative units of the lead institution and other institutions.*

5. *As recommended previously, a state receiving $100,000 a year or more should be required to appoint a full-time Title V executive director to coordinate research and extension efforts within the state. Any state receiving less than $100,000 should make a similar appointment unless serious extenuating circumstances dictate otherwise.*

6. *Provisions in the law and regulations which now require or encourage that research and extension activities be planned and budgeted separately should be eliminated or rewritten to bring about full integration of research and extension activities.*

7. *Each state should be required to include in its plan of work a timetable for extending the essential process to all rural areas and all segments of rural population within the state.*

8. *These recommendations would apply regardless of the nature of the institution (land grant or non-land grant) administering the process.*

9. *Title V efforts at 1862 and 1890 land grant institutions in the same state should be closely coordinated. This coordination should include, if mutually agreeable, the naming of a joint board of directors and/or executive director, and joint preparation of the state plan of work.*

10. *Administrators of state Title V activities should be aware that their program will be evaluated in part on the extent of meaningful involvement of local people.*

11. *The rural strategy process will be most effective if it remains a process and is prohibited from becoming an action program in its own right.*

The rationale underlying these recommendations follows.

One of the strengths of Title V has been the freedom given states in design and administration of their approach to providing process. This flexibility should not be legislated away by stipulating a complicated and specific series of administrative and organizational features. There are extremely wide variations in the rural development problems and opportunities found among the states. Likewise, the states vary considerably in regard to existing administration,

organization, and personnel. The university administering each state's program should continue to have the latitude to design its approach with local conditions in mind.

However, we have made a number of organizational recommendations designed to increase the effectiveness of the process without diminishing the flexibility of Title V.

As stated earlier, the recommended level of basic funding to each state would be large enough to support at least two full time staff persons. Any state receiving the recommended basic allocation or more should be required to establish a statewide board of directors. The board would establish program policy, set priorities, and provide guidelines for the efforts of various universities, colleges, and agencies involved in rural development activities. This board is roughly analogous to the State Rural Development Advisory Council mandated in Title V, but the criteria for membership should be different from those stipulated in the law. The president of the university administering a state's Title V program should continue to have the authority to appoint members, but in addition, the state governor should be invited to appoint one or two members. Members should be selected from among federal and state agencies and private organizations that currrently or potentially provide or use rural action program funds. The size and composition of the board should be flexible. Title V experience suggests that at least some of the board members should be residents of the geographic areas in which Title V activities are focused.

The law should permit states the flexibility to design an advisory structure compatible with local conditions -- and those designing the advisory structure should be made aware of procedures and structures found useful in other states. For example, Chapter 4 of the Title V evaluation report, Rural Development and the Land Grant University, contains a review of

experiences reported by the 50 states and Puerto Rico. Further information on specific points may be obtained directly from the program leadership in the states, as indicated in another NRC publication, Directory of State Title V Rural Development Programs. (Both of these reports are available from the National Rural Center.)

In each state and at the federal level every attempt should be made to obtain active cooperation from various action agencies with programs relevant to rural development. Eventually, if Title V succeeds in providing the essential process, this cooperation should include an allocation of agency funds to help to support the process.

Title V was not envisioned as an action program -- it provides no loan or grant funds to finance facilities, services, industrialization, or other tangible end products of rural development. Rather, Title V was intended to focus on the process of rural development, to make action programs accessible to all rural people. We are convinced that the future effectiveness of Title V will depend on its continued attention to process. It should not be made into an action program, for this would inevitably lead to competition with action agencies, thus discouraging the kind of cooperation so necessary for a successful rural strategy.

The president of each lead institution should appoint a coordinator to legitimize the process in each of the various administrative units of the university and with other institutions of higher learning. To function effectively in this role, the coordinator must be a person with sufficient prestige and administrative rank to command the attention of the heads of the relevant administrative units and other institutions which are or potentially could be involved in the process. Our impression from the evaluation of Title V is that the coordinator should be a person with the rank of at least dean or vice president.

The coordinator, in consultation with the president and any advisory bodies that may exist in relation to rural development, should appoint an executive director. This person's responsibility would be to coordinate the research and extension efforts supporting the rural strategy process within the state. The executive director should have the power and the responsibility, in conjunction with the coordinator, to allocate funds within the lead institution and to other colleges or universities that demonstrate a willingness and ability to perform effectively.

The executive director and the board should see to it that their program retains its professional stature by providing objective and non-biased information to all rural people. The risks associated with becoming allied with any special interest group to the exclusion of others is well known. Furthermore, if the process is to be inclusive it must be open and understood to be open to all rural people.

The lead institution in each state must submit a plan of work to USDA for approval. This plan of work, according to current regulations, must indicate the relationship between research and extension. But the law and the regulations do not explicitly require that research and extension activities be integrated. In our opinion, integration of research and extension is part of the essential process for an effective rural development effort. Sections 502 (a) and (b) of the act authorize rural development extension and research, respectively. The fact that these two activities are mandated in two separate sections of the act may have encouraged greater division between research and extension than would have occured if they were legislatively integrated. This dichotomy, which has been perpetuated in the recent amendment pertaining to small farm research and extension (sections 502(c) and (d)), is contrary to the principle of integrating these two activities. Furthermore, the <u>functional</u> distinction between research and extension is often blurred in practice --

research personnel often perform duties ordinarily done by extension personnel, and vice versa. This ambiguity seems beneficial to cooperation of faculty in solving rural development problems. The regulation calling for separate research and extension portions of the annual plan of work runs counter to that fact and should be eliminated.

Similarly, the format of the budget form in each state's plan of work should no longer feature separate columns for research and extension activities. This device has been viewed by administrators as essential because of the separate legislation and administrative structures for Research and Extension in the land grant university system. During fiscal years 1974 to 1977, Title V monies came to each state in two equal portions, one half to the Cooperative Extension Service, the other half to the Experiment Station. This "separate but equal" feature of Title V funding seems counterproductive to the integration of research and extension. Title V funds as well as other rural development research and extension funds should be channeled through a single administrative office with responsibility for organizing an integrated and effective program and mobilizing the best talent available. This talent should be drawn from any college or university (including those of other states) where specialized capability has been developed and clearly demonstrated. Nor should the talent search be restricted to institutions of higher learning - employees of various agencies, private organizations and individuals should also be called upon.

Each state's long-term timetable (to be included in its plan of work) should delineate:

- *The problems or geographic areas of the state to be served by Title V and/or related processes.*
- *The criteria used to select these problems or geographic areas of the state.*

- *The overall size of the task of making Title V assistance available to all rural areas of the state.*
- *The timetable for covering of all rural areas of the state given anticipated levels of funding.*
- *The specific mechanisms to be used to ensure meaningful involvement of rural people in the process.*
- *How research and extension efforts will be functionally integrated.*

This information is essential: (1) if rural people are to have an opportunity to help determine how and when the process will be expanded to encompass other parts of their state; (2) if policy makers are to be able to make more prudent decisions about funding levels and/or about improving the effectiveness/efficiency of the process, and (3) if Title V is to retain credibility as a potentially comprehensive and inclusive process while only being able to serve limited segments of the rural population because of funding limitations.

Finally, the importance of involving local people and their representatives or leaders in the process cannot be stressed too often. While the data available for the evaluation of Title V did not support the conclusion that there is one absolute best way to organize a Title V process, one clear conclusion is that a prevalent feature of the most successful activities was the direct involvement of local people and leaders in decisions regarding the articulation of local goals and objectives and the determination of the desired course of action. This conclusion leads to our strong belief that the process should start with meaningful involvement of local people, and should endeavor to help rural people achieve greater capacity to identify and attain their own goals.

Finally, we turn to a discussion of evaluation as an integral part of the essential process for a successful rural strategy.

5.3 Evaluation

Our recommendations dealing with evaluation begin with this statement:

Evaluation is the component of a rural strategy process most often ignored, yet it is essential if sound decisions about expanding the process and reforming action programs are to be made. Furthermore, scientifically credible evaluation is imperative if a rural strategy process is ever to mature beyond the realm of hunches and guesswork based on episodic experiences to a more predictable strategy for assisting people to help themselves. In short, policy makers must realize that evaluation is absolutely essential to the creation of a body of information needed for a "careful expansion" of Title V. An effective, continuing evaluation to create that necessary body of information is one of two or three most important elements which sets an essential process above most previous attempts to make a rural development strategy succeed.

In a number of states, the Title V approach has been demonstrated to be a viable means of enhancing the process needed to build and implement a successful rural strategy. This success does not negate the possibility that other approaches could be found that would be equal or superior to Title V. The quest for ever more effective approaches should continue. As Title V or any alternative or additional approach to establishing a rural strategy process is pursued in the future, a built-in evaluation system should be simultaneously implemented to provide a rational basis for modifying procedures or selecting alternative approaches.

The evaluation system must first be scientifically credible. It should provide the appropriate data to document the process used, the context in which it occurs, and the impacts achieved. This type of information was not collected in most states during the three-year pilot phase of Title V. Consequently, severe limitations are placed on the kinds of causal inference that

can be drawn regarding the impact and effectiveness of alternative organizational and administrative structures and procedures used by various state Title V efforts. This kind of deficiency can and must be avoided in future evaluation efforts.

Here, then, are our more specific recommendations dealing with evaluation:

1. *Systematic and scientifically credible evaluations should be conducted on Title V activities at the local, state and federal levels.*

2. *Evaluation should be made an integral part of any expansion of the Title V process.*

Specifically, the evaluation system should be designed to evaluate activities at several levels -- the local community and project level, the state university program organizational level, and the federal level. At the local project level, four kinds of information are needed: (1) contextual data on the baseline conditions in the area where specific projects are to be initiated, (2) input data indicating the levels and types of effort expended, (including in-kind contributions by the universities), (3) process information reflecting the nature and extent of involvement by local citizens, agency personnel, researchers, educational/extension personnel, and others, and (4) impact data indicating changes in important goal-oriented end products and enhancement of local capabilities that are attributable to Title V.

At the state level, data should be collected on the procedures used by the administering universities so that lessons may be transferred from one state to another to improve the effectiveness of university contributions to the process.

At the multi-state regional and national levels, Title V should be evaluated against other process alternatives. Also, a cumulative information system should be developed to improve the predictability of rural development.

Ultimately the empirical and theoretical tools of rural and community development should be sufficiently well developed to enable program planners to predict the success of a given project, taking into account the salient characteristics of the community, the legal/political milieu and the resources and programs available. This kind of scientific growth is inherently difficult and challenging. It requires a systematic evaluation system. Such a system must include extensive efforts to develop and maintain a data base on the relevant attributes of the community context, the inputs, the processes used, and the outcomes. And if the knowledge gained is to become additive and transferable, it must also be conceptually integrated into the theoretical literature.

Some researchers may argue that rural development is to nebulous an area to be amenable to rigorous scientific evaluation and to the development of theories. This argument tends to discourage the kinds of effort needed to make Title V a "rational" process, as defined earlier. We subscribe to the proposition of Thomas Kuhn 1/ that progress in science is constituted in the repeated overthrow of old paradigms and their replacement by new and better ones. The inherent complexity and difficulty of the task should be viewed as a challenge, rather than as a barrier.

The proposed evaluation system should be integrated into expansion of Title V funding and activity levels. That is, (1) it would not make sense to siphon off substantial funds for evaluation unless the overall funding levels were expanded significantly, and (2) the evaluation system must be designed to collect data during the operation, not just at the end of the process. Every attempt should be made to prevent the kind of data vacuum facing all after-the-fact evaluations, including our own evaluation of Title V, in which

1/ *The Structure of Scientific Revolutions*. Chicago: Univ. of Chicago Press, 1970

evaluators are expected to come along after a program has operated for a span of years and perform an evaluation based on retrospective recall data (which are known to be less reliable in general than data collected during program operations). Much information essential to good evaluation and to improvement of the predictive power of theories related to development simply cannot be generated during an after-the-fact evaluation. Prior evaluation design and concurrent data collection are essential.

It is perhaps true that because Title V has been such an innovative program in many states, it would have been very difficult to anticipate the kinds of questions to be asked and data to be collected during the first three years of operation. However, experience gained through the pilot stage has provided a helpful data base on which to begin establishing a workable evaluation system. This kind of system probably could be adapted to other rural development approaches as well as Title V.

It is clearly imperative that the evaluation mandated by Title V regulations be implemented, including the requirement of statements or other evidence from local citizens and leaders regarding the effectiveness of the technical assistance provided in meeting local needs. The evaluation also should focus on the administrative and organizational arrangements used by the colleges and universities and other bodies providing technical assistance for rural development. Evidence from the evaluation should be used (1) as the basis for allocating "merit" funds to the institutions, and (2) to provide empirical input into revised theories that will improve the planning and implementation of the future rural development efforts.

To restate our earlier comment about the importance of evaluation, Title V cannot be expanded carefully without a continuing credible evaluation.

6. List of Recommendations

Briefly, the recommendations made in this paper are as follows:

6.1. General Recommendations:

1. The federal government ought to invest funds to provide an essential process by which rural people can make government programs and private initiatives more effective in meeting the needs and aspirations of all rural people. Local citizens should be involved in this process to the maximum extent possible.

2. The "essential process" for a successful rural strategy, as we define this term, ought to be kept a process and temptations to expand it into an action program should be rejected. That is, funds provided to finance a process should not be used to pay for end products such as roads and water lines. These would be financed by action programs.

3. Based on the results of our national evaluation study, we have concluded that the Title V process can be an effective process and should be expanded, but expanded carefully.

6.2 Funding Recommendations:

1. The annual appropriation for Title V should be increased to $20 million dollars starting fiscal year 1979.

2. States should be eligible for two kinds of Title V funding -- "basic" allocation and "merit" increases.

3. The "basic" allocations should be a minimum of $100,000 for each state and Puerto Rico (adjusted annually for inflation), plus additional funds in proportion to the state's share of the nation's non-metropolitan population.

4. If Title V funding cannot be increased immediately to insure a minimum basic allocation of $100,000 for each state, no state should receive more than $100,000 until each receives that amount. (The few states now receiving more than $100,000 should be held harmless under this requirement).

5. To qualify for its basic allocation, a state must have a plan of work approved by the Secretary of Agriculture, acting on advice from the Joint Council established under Title XIV of the Food and Agriculture Act of 1977. Rigorous standards should be used in evaluating a state plan of work for this purpose.

6. Half of the funds to be distributed to the states in excess of the amount needed to insure $100,000 per state should be reserved for "merit" increases to be earned by a favorable performance as indicated by a scientifically credible evaluation. The size of a state's merit funding should be proportional to its share of the nation's non-metropolitan population.

7. If a state does not qualify for its basic allocation, the money should be placed in escrow for a limited time (3 years) as a cumulative incentive, and awarded to the state if it submits a satisfactory plan of work. If a state does not qualify during the escrow period, the state should lose the escrowed funds, which should be added to the total available to other states for merit increases.

8. Each state's performance should be evaluated on how well its efforts meet the criteria for an essential process and not in competition with other states. If a state does not qualify for a merit increase, those funds should be placed in escrow for a limited time (3 years) as a cumulative incentive and awarded to the state if a subsequent evaluation is favorable. If a state does not qualify for a merit increase during the escrow period, it should lose its claim to those funds, which, in turn, should be added to the total of Title V funds available for merit increases.

9. Funding levels, including the size of merit increases, should be determined for three to five year periods. This is necessary to permit states to plan their Title V efforts prudently and to permit them to make the long-term commitments necessary to retain personnel to carry out their plans.

10. A continuing evaluation of each state's Title V activities should document the amount of in-kind contributions attracted at each level of Title V funding. This is needed to determine an optimum level of funding for Title V.

11. If the evaluation indicates that Title V is successful in providing the essential process, funding should be increased above $20 million dollars a year. Financial support for this kind of process then should be included in budgets of federal agencies operating action programs in rural areas. For example, the amount of money to be made available for this essential process could be determined by a set percentage (such as 0.5 percent) of the amount of money available for action programs operating in rural areas. We understand that total currently runs about $14 billion dollars a year. The current Title V funding level is less than 0.04 percent of that total.

12. Restrictions prohibiting or discouraging the general use of Title V funds for small farm research and extension should be removed. Simultaneously, the lead institutions should have full flexibility in determining the appropriate mix of research and extension in their plans of work. The artificial diversion of funds imposed in the recent amendments (i.e., 19% research and 77% extension) should be abolished.

13. Initially, the 1862 land grant university should continue to be the lead institution in each state for receiving and administering Title V funds.

14. However, in the 16 states with more than one land grant university (those states which also have a traditionally black 1890 land grant institution), plans of work should be signed jointly by the president of each land grant institution in the state. Similarly, the required memorandum of agreement between the Department of Agriculture and land grant institutions should be co-signed by the president of each land grant institution in a state.

15. If the two land grant institutions in a state cannot agree on a plan of work, the state's basic allocation should be divided equally between the two institutions (in Alabama among the three institutions), and allocated on receipt of separate but acceptable plans of work. Merit increases should be divided similarly.

16. At the end of the first three-year cycle of expanded Title V effort, non-land grant institutions should be allowed to compete with the land grant institutions to become the lead Title V institution in the State, the decision to be made by the Secretary of Agriculture. In reaching this decision, the Secretary should call upon the Joint Council to provide advice based on evidence from evaluation studies and the merit of proposals from alternative (non-land grant) institutions. Such competition should recur every three years.

17. However, any recipient institution responsible for Title V funds, including a land grant university during the first three year cycle, can lose those funds if the Secretary of Agriculture, acting on advice from the Joint Council, feels the evaluation of the state's Title V program indicates the effort shows little or no potential for providing the essential process.

6.3 Organizational Recommendations:

1. The flexibility each state has had in designing approaches for providing a more effective process should be maintained.

2. If funding levels remain so low that some states continue to receive less than $100,000 a year, many of the reporting and advisory council requirements should be made optional for those states.

3. Once a state reaches a $100,000 funding level, it should be required to establish a state-wide board of directors to set policies, priorities and guidelines and to review evaluations of Title V activities.

4. The president of a Title V lead university or college should appoint a coordinator, who has the rank of at least dean or vice president, to see that the program is legitimized and supported in each of the administrative units of the lead institution and other institutions.

5. As recommended previously, a state receiving $100,000 a year or more should be required to appoint a full-time Title V executive director to coordinate research and extension efforts within the state. Any state receiving less than $100,000 should make a similar appointment unless serious extenuating circumstances dictate otherwise.

6. Provisions in the law and regulations which now require or encourage that research and extension activities be planned and budgeted separately should be eliminated or rewritten to bring about full integration of research and extension activities.

7. Each state should be required to include in its plan of work a timetable for extending the essential process to all rural areas and all segments of rural population within the state.

8. These recommendations would apply regardless of the nature of the institution (land grant or non-land grant) administering the process.

9. Title V efforts at 1862 and 1890 land grant institutions in the same state should be closely coordinated. This coordination should include, if mutually agreeable, the naming of a joint board of directors and/or executive director, and joint preparation of the state plan of work.

10. Administrators of state Title V activities should be aware that their program will be evaluated in part on the extent of meaningful involvement of local people.

11. The rural strategy process will be most effective if it remains a process and is prohibited from becoming an action program in its own right.

6.4 Evaluation Recommendations:

1. Systematic and scientifically credible evaluations should be conducted on Title V activities at the local, state and federal levels.

2. Evaluation should be made an integral part of any expansion of the Title V process.